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U.S. Labor Slated For Greater Role In Foreign Policy

WASHINGTON—When he told the convention of the American Federation of Labor in Cincinnati on November 19 that American labor had played “the key role” in winning European support for the Marshall plan, W. Averell Harriman, the President’s Special Representative Abroad for the Economic Cooperation Administration, encouraged the discussion one hears in Washington to the effect that labor unions should take a more positive and direct part in the development of United States foreign policy than they have in the past. Eric Johnston, president of the Motion Picture Association of America, Inc., in his new book, *We’re All In It*, proposes that the President appoint labor leaders as ambassadors to Western and Southern European countries. “The battleground for the new world of today is at the worker level,” Mr. Johnston writes. “The old-fashioned diplomat is out.” According to the *San Francisco Chronicle*, Secretary of State George C. Marshall anticipated Mr. Johnston’s recommendations some months ago by suggesting the appointment of Clinton Golden of the CIO, or of Mrs. Franklin D. Roosevelt, as ambassador to France.

Present Role of Labor

The movement which Mr. Johnston’s comments have stimulated goes well beyond the present accepted practice of appointing labor advisers from the trade unions to official missions and agencies concerned with foreign affairs. The Foreign Assistance Act of 1948 requires the employment of two labor advisers by the Economic Cooperation Administration (Mr. Golden and Bert M. Jewell, of the

Railway Labor Executive Association, AFL). Ambassador Harriman has appointed Boris Shishkin, AFL economist, and other labor advisers to his own headquarters in Paris and to the ERP field missions in other countries. The American mission in Greece has labor advisers, and the American delegation to the International Trade Organization Conference in Havana, Cuba, last March, included advisers from the unions. Mr. Johnston, however, urges direct involvement of union representatives in all phases of American foreign policy—not merely on international labor matters, or on special problems which hinge on the attitude of trade unions here and abroad.

The important role played by trade unionists and liberal Socialists in the governments of Western and Southern Europe seems to bolster the argument that the United States should rely more heavily in its diplomacy on persons who either possess labor backgrounds or have the political aptitude to grasp readily what those foreign governments stand for and what motivates them in making policy. Moreover, those among President Truman’s advisers who interpret his election on November 2 as a reaffirmation of American belief in the New Deal contend that the time is propitious for him to select as leading diplomats and State Department officials men and women who are thoroughly in sympathy with the political tendencies of the United States, so that they can readily explain popular thinking here to governments and peoples abroad. James B. Carey, Secretary-Treasurer of the CIO, apparently won converts to the Marshall plan among European

trade unionists last autumn, when he visited Paris for a meeting of the World Federation of Trade Unions, and this spring and summer, when he met twice in London and Paris with other members of the European Recovery Program Trade Union Advisory Committee. The AFL influenced general policy when it induced the American occupying authorities in Germany to postpone the dismantling of a few German plants “to provide time for the gradual reemployment of thousands of workers whose jobs would have been affected.”

Unions Interested

The American unions tend to support a foreign policy that stresses Western cooperation rather than mere containment of Russia. The Moscow radio on November 10 declared that leaders of the AFL and CIO have been “discovering” Europe for the “US monopolies,” and that these “trade union servants” of the monopolies intend to “form a new puppet federation of trade unions of the Marshallized countries.” Less emphatically anti-Communist and anti-Russian than the AFL, the CIO endeavored throughout 1948 to keep alive and active the World Federation of Trade Unions, which includes both Communist and non-Communist unions. The WFTU, however, divided this year over the Marshall plan, which the CIO energetically espoused in conflict with the pro-Communist members and officials of the WFTU, notably Louis Saillant, the General Secretary. The AFL has consistently attacked the WFTU, which was established in 1945, but according to the report of President Philip

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Murray to the annual convention of the CIO in Portland, Oregon, this week, his union "has worked closely with the European workers to strengthen them in their struggle to continue development of their organizations in accordance with their own wishes." This view implies readiness to co-operate with Russian as well as non-Russian unions. CIO Secretary Carey and Michael Ross, Director of the CIO International Affairs Department, conferred in the Soviet Union last winter with Vassili Kuznetsov, All-Union Central Council of Trades Unions of the U.S.S.R., without altering the Soviet government's opposition to the Marshall plan.

Large numbers of trade unionists have had experience in international relations since the end of World War II. The AFL sent George Harrison and David Dubinsky to Germany after the imposition of

the Berlin blockade last summer for conferences with General Lucius B. Clay, American commander in Germany, and with German trade unionists. In Europe the AFL publishes a periodical, *The International Free Trade Union News*, in four languages, English, French, German and Italian. Irving Brown, AFL European representative, with headquarters in Brussels, carries on correspondence with 300 European trade unionists in key official positions. Mr. Brown and his associate, Harry Rutz, investigated the American occupation of Austria this year and advocated a number of reforms.

The AFL and the CIO have taken part in the United Nations Educational, Scientific and Cultural Organization and the World Health Organization, and the AFL has participated in discussions for

setting up a Human Rights Commission in the UN. The CIO Latin American Affairs Committee has decided to send Joseph Curran, president of the National Maritime Union, to Latin America to make first hand observations. Victor Reuther, education director of the United Automobile Workers, represents the CIO on the Anglo-American Council on Productivity. Since 1947 the Department of Labor has supported a Trade Union Advisory Committee on International Affairs, which sends labor groups abroad on special missions. The Foreign Service assigns labor attachés to American embassies and legations abroad. Notwithstanding all these activities, the labor unions have not yet indicated whether they want to make their officials available for general diplomatic duty.

BLAIR BOLLES

Pacific Powers Scrutinize Japan's Reconstruction

Recent trends in United States policy toward Japan have caused considerable uneasiness in other countries of the Pacific area. The immediate issues, which may call for action by the new Congress in January, are primarily economic; but they also have political and strategic implications which may assume a critical character now that the spotlight of great-power rivalry is again focused on the Far East.

The original American post-surrender policy, later approved by our Pacific Allies in the Far Eastern Commission,* stressed the aims of demilitarization and democratization. The occupation authorities initially declined to accept responsibility for Japan's economic rehabilitation. Desperate economic conditions, however, plus the inaction of the Japanese government, increasingly forced them to take remedial steps, partly by prodding Japanese officials, partly by supplying food and other essential items. Gradually it became clear that until Japan's production increased the defeated country would continue to be a drain on the American taxpayer, at a rate currently estimated as amounting to \$400 million annually. The shift of emphasis from reform to recovery was confirmed in January 1948 in a statement by General Frank Ross McCoy, chairman of the Far Eastern Commission.

What Restrictions, If Any?

Other considerations were also involved,

*Australia, Britain, Canada, China, France, India, the Netherlands, New Zealand, Pakistan, the Philippines, U.S.S.R., and the United States.

for a battle had long raged in Washington over what restrictions, if any, should be placed on Japanese industry. The Pauley report of April 1946 had stressed the need to disarm the Japanese economy and to build up the industrial strength of its neighbors by means of drastic removals of plant equipment on reparations account. This report, with some modifications, formed the basis for the interim reparations program approved by the Far Eastern Commission in 1946. Actual removals to date have been small, however, and the commission has yet to fix a final level of industry. Meanwhile, in February 1948, a group of engineering consultants headed by Clifford S. Strike presented a report to the Army Department recommending few reparations removals beyond munitions plants. The industrial levels in the Strike plan were far above the upper limits already set by the Far Eastern Commission. They were defended on two grounds: first, that they represented the minimum necessary to make Japan self-supporting; and second, that other Asiatic countries would benefit from the manufactured goods which Japanese industry could supply.

China and its neighbors, devastated by Japanese aggression, understandably view with disfavor any scaling down of reparations payments. But since reparations deliveries can at best be a minor item in their plans for reconstruction and industrialization, these countries are even more keenly concerned to prevent any revival of Japanese military strength. All the

Pacific Allies officially share this concern. They have yet to agree, however, as to whether Japanese rearmament can best be prevented by severe limitations on industrial capacity, or by other methods.

Reconstruction Pros and Cons

That Japan must be economically self-supporting is generally recognized, and such a policy is guaranteed by the Potsdam Declaration of 1945. The Far Eastern Commission has decided that Japan should be permitted to attain the standard of living of 1930-34. This implies a higher industrial level than that of 1930-34, at least in some industries, as the population has increased by 20 per cent since that period. What industrial capacity is required to maintain this standard is a technical question which should be determined by impartial experts. Yet the Pauley and Strike groups, while highly competent, approached the problem with such different preconceptions that they reached widely varying conclusions.

Although economists recognize Japan's need for industries to maintain its expanding population, the idea of reconstructing Japan as the workshop of Asia, advanced by some American spokesmen, has met with opposition from other Asiatic countries, especially China. These countries, bent on industrialization, would prefer to be their own workshops and have no desire to see Japan regain a commanding position in Far Eastern economy. Nor is Britain, fighting desperately for world markets, anxious for the revival of a once

dangerous competitor. Similar views are held by certain sectors of American business, notably textile manufacturers. Other American businessmen see in Japan opportunities for profitable trade and investment. In April 1948 the Johnston Committee, composed of businessmen and sponsored by Major General William H. Draper, urged further scaling down of reparations figures and other measures to promote Japanese production and foreign trade, including encouragement of foreign investment in Japan. In other countries, fears have been expressed that the United States will use its virtually unilateral control of Japan to promote this country's own economic advantage.

Nevertheless, the revival of foreign trade is an absolute necessity for a country so heavily dependent on imported raw materials. Japan's most natural trade connections, now disrupted by war, are with neighboring Far Eastern countries, where Japanese products, although greatly needed, encounter sales resistance based on political distrust. So far, efforts to revive the export trade have centered largely on textiles, but in the long run Japan must rely on a more diversified offering, including engineering products, chemicals and the like. As the only Far Eastern country with a high degree of industrial know-how, Japan can play a major role in the economic reconstruction of the area. This, however, is impossible so long as the Jap-

anese economy is tied to that of the United States by the necessity of finding dollar exchange to repay American credits. Economic revival not only in Japan but throughout Eastern Asia may require a co-ordinated recovery program similar to the Marshall plan in Europe. In this connection Communist victories in China raise a problem, since North China is Japan's logical source of supply for pig iron, soy beans, coking coal and other products. The need to reopen Japan's natural trade channels, strongly felt by American officials responsible for Japan, may run afoul of political objections to doing business with Communists.

Recovery Slow

After a slow start Japanese industrial production has reached only 52.9 per cent (July 1948) of the 1930-34 level. Urban living standards are still well below wartime levels, and foster continued labor unrest; and Japan is still sustained by American subsidies. To speed recovery, grants or credits from the American government are now proposed, together with private investment. How does this new course affect the original political aims of the United States in Japan, which remain far from realization? On the one hand, it is difficult to promote democratic reforms among a people grimly intent on the struggle for food, to whom "democracy" has so far brought only greater hardship.

On the other hand, the plans now envisaged for economic revival run directly counter to certain basic aims of the original post-surrender policy. The program to dissolve Zaibatsu combines and promote business competition has already been seriously retarded, if not entirely checkmated. Labor organization, once encouraged as a bulwark of democracy, is now subject to restraint. Japanese leaders now seek to gain further concessions, both economic and political. As the reform impulse has visibly lost momentum, lively fears have been voiced, especially in China and Australia, that relaxation of effort will lead to a renewal of militarist influence.

China, the Philippines, Australia, New Zealand and Russia—all of which have since 1937 suffered either actual or threatened invasion at Japanese hands—are intent on preventing the revival of a strong militarist Japan. The Russians, moreover, view with apprehension American bases in Japan, commanding the Siberian mainland. American military leaders, for their part, urge the necessity of maintaining such bases, and there is little doubt that in their minds economic factors are closely linked with strategy. "Japan," as Lieut. Gen. Robert L. Eichelberger remarked in Chicago on October 20, "could become a powerful friend." MIRIAM S. FARLEY

(The first of two articles on current developments in Japan. Miss Farley, a former Research Associate of the American Institute of Pacific Relations, has also been a member of the SCAP staff in Japan.)

New Puerto Rico Governor Puts Economic Issues First

On November 2 the people of Puerto Rico, for the first time in the history of this United States colony, went to the polls to elect their own governor, Luis Muñoz Marín. Hitherto, insular governors had been named by the President, although the last appointee, Jesús Piñero, was a native-born Puerto Rican. This latest advance in the island's progress toward self-government was brought about by the 1947 Butler-Crawford amendment to the Organic Act which governs relations between the Federal government and the Caribbean territory. The electoral contest was significant for other reasons. In a land where every issue is, of necessity, colored by the question of Puerto Rico's ultimate political status, it amounted to an island-wide referendum on the degree of association, if any, Puerto Ricans desired with the United States. In this connection, the size of the vote for Senator Muñoz, the favored candidate, would constitute a

judgment on the record of his Popular Democratic party. This party, founded by Muñoz ten years ago, was pledged to seek social and economic reform within the existing political framework, and has been in power since 1940. The victory of this brilliant and astute political leader was never actually in doubt; the real issue concerned the inroads that the Independence ticket might cut in the Popular majority.

Status and the Vote

This election was probably less influenced by considerations of what political parties on the continent would do about Puerto Rico than any other in the experience of United States occupation. All mainland parties were committed in theory to the large principle of self-government for Puerto Rico, and the 80th Congress had in fact given the island the elective governorship. The November 2 election

gave the victory to Muñoz by the same majority of 65 per cent as in the 1944 local elections. The *Populares* received 387,184 votes, the pro-statehood Coalition, representing conservative opinion, obtained 178,000 ballots, and the Independence party trailed with 63,082. In explanation of the overwhelming Popular majority, Muñoz declared on November 4, that the Puerto Ricans want to live well, without caring what label is attached to their political status. His statement reflects a constant preoccupation with the problems raised by the pressure of the island's rapidly growing population on available resources. The Governor-elect has already provided a clue revealing future policy on the classic status issue. In his demand for a "constitution" written by Puerto Ricans themselves, he has a sufficiently vague formula enabling the new government to devote its major energies to the more pressing economic problem.

What's Ahead for Puerto Rico?

The sweeping Democratic victory on the mainland contains both a promise and a threat as far as Puerto Rican interests are concerned. The new Administration may promote resolutions pending in Congress to give the island equality with the mainland in the matter of social security benefits. One of the significant facts brought out by the 1948 Columbia University study of Puerto Rican migrants in New York City was that the hard core of Puerto Rican relief cases consisted of widowed or deserted women with dependent children. Extension of Federal assistance would enable Puerto Rico to take care of such relief cases on the island. The probability that President Truman will energetically seek legislation for a higher minimum wage, however, threatens a setback to the insular government's drive for new industries.

Since 1947 the Development Company of Puerto Rico has attempted to lure mainland industries, especially those in the textile, hosiery and film-making fields, to the island with the bait of tax exemption and lower wage scales. Faced with the possibility of unemployment resulting from the removal of plants to Puerto Rico, which was dramatized last summer by the closure of the Textron plant in Nashua, New Hampshire, the Textile Workers Union of America (CIO) has petitioned the Federal Wage and Hours Division to extend to the island the legal minimum wage prevailing in the mainland textile industry. It is also possible that Puerto Rican labor will join in this agitation, once it is alerted to the fact that the cost of living on the island, according to the Bureau of Labor Statistics, is 35 per cent higher than that on the mainland, while salary scales are approximately one-third of continental schedules. The need for holding down labor costs confronts the Muñoz government with a sharp dilemma, since the entire emphasis of the Popular program is based on the importance of increasing the productive capacity of the insular economy and, thereby, the standard of living. In its larger aspects, the minimum wage controversy exposes the absence of a clearly defined national policy toward our island dependency, for which the Butler-Craw-

ford Act, however good as an interim step, can be no substitute.

OLIVE HOLMES

FPA Branch Meetings

CINCINNATI, November 29, *A Report on South Asia*, Ernest K. Lindley

MILWAUKEE, November 29, *Germany*, Norman Thomas

MINNEAPOLIS, December 2, *North Atlantic Alliance*, Clarence K. Streit, Charles McLaughlin

PHILADELPHIA, December 3, *The Middle East: Crossroads and Crossfire*, John S. Badeau, George Fielding Eliot

NEW YORK, December 4, *Economic Recovery: What is the U.S. Role?* Aubrey H. Harwood, Ivo Duchacek, Evan Just, George Nebolsine, Langbourne M. Williams

ALBANY, December 6, *Western European Union and the British Commonwealth*, Donald H. McLachlan

SHREVEPORT, December 6, *Round Table Discussion* (W. L. Ford, Mayor Clyde Fant, Joe J. Mickle, Judge George W. Hardy)

TULSA, December 6, *Korea*, Leonard Bertsch

FPA Staff Changes

Mrs. Winifred N. Hadsel, FPA Research Associate on Western Europe, is now a foreign analyst in the Office of Intelligence and Research of the State Department, specializing on France. Grant S. McClellan, FPA Research Associate on the British Empire and the Middle East, has just been appointed a foreign affairs analyst in the same Office, specializing on Near Eastern affairs.

The Foreign Policy Association suffered a great loss last summer in the death of its able and devoted librarian, Ona K. D. Ringwood, who had been a member of the staff since October 1928.

National Self-Determination, by Alfred Cobban. Chicago, University of Chicago, 1948. \$3

The revised American edition of a balanced, scholarly study by a University of London professor concerning the impact upon the world of one of Woodrow Wilson's historic principles, and the forces which gave it strength.

News in the Making

Cutting through a maze of new proposals and counterproposals on *Palestine*, the United States, with new preciseness, stated in the UN Political and Security Committee on November 20 that, while it accepts the Bernadotte report as the basis for renewed efforts to bring about peaceful adjustment of Arab-Israeli differences, it 1) takes the view that no changes must be made in Israel's borders without Israeli consent, and 2) hopes for Israeli's early admission to membership in the UN. At the same time, Professor Phillip C. Jessup, American spokesman, made clear that any territorial additions Israel may demand over and above boundaries set forth in the original UN partition recommendation of November 1947 must be offset by concessions of land elsewhere—which is taken to mean that if Israel wants to keep part of Galilee, it will be required to give up part of the Negeb to the Palestinian Arabs. As a result of recent military successes, Israel at present holds both areas. Cheerful note of international co-operation: the United States, Britain and Canada signed an agreement on November 18 for "*Unified Screw Threads*." Acceptance of uniform standards by three leading industrial nations would not only facilitate concerted military production in case of another war but, what is more important over the long run, will assure savings in production costs, and speed recovery and industrialization in other countries which will now be able to draw interchangeably on the three signatories for replacement and repair parts. . . . *The American Federation of Labor*, in the proposals for a global democratic foreign policy drawn up at its Cincinnati convention on November 21, proposed that the United States and other democratic countries sever trade relations with Russia until that nation "is ready to lift her barbarous blockade of Berlin." In effect, this aim has already been practically achieved by the United States, under a licensing system which bars sale of any products that might enhance Russia's "war potential." In September American exports to Russia totaled \$100,000 as compared with \$1,200,000 in August.

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